

# Basic Budget

## Module 1

**ESC Cost Core Training  
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# Official budget guidance is provided in AFI 65-601 Vol. 1: Budget Guidance & Procedures

[http://afpubs.hq.af.mil/pubs/publist.asp?  
puborg=AF&series=65](http://afpubs.hq.af.mil/pubs/publist.asp?puborg=AF&series=65)

More budget guidance can be referenced in DoD  
7000.14-R, DoD Financial Management Regulation  
Vol. 2, Budget Formulation and Presentation

[www.dtic.mil/comptroller/fmr/](http://www.dtic.mil/comptroller/fmr/)

# Biennial Planning, Programming & Budgeting System (BPPBS)

- Formalizes the decision process for weighing costs associated with major weapons systems
- A two year cycle, sequence of events
  - develop a plan
  - formulate the program to implement the plan
  - price out the program to produce the DoD budget request

# **\*BPPBS\***

## Planning Phase

- Conditions evaluated in relation to objectives & resources
- strategies & long-range plans
- CG, NMS, JPD

## Programming Phase

- Initiatives, programs & disconnects are evaluated and tied to available resources by FY
- POM, PDM

## Budgeting Phase

- Requests for appropriated funds
- BES, PB

# Appropriation (APPN) Types

- 3010 - Avionics & Aircraft Procurement
- 3020 - Missile Procurement
- 3080 - Other Procurement
- 3300 - Military Construction (MILCON)
- 3400 - Operations & Maintenance (O&M)
- 3500 - Military Personnel
- 3600 - Research, Development, Test & Evaluation (RDT&E)

# Stages of Accountability

There are 3 stages of accountability of funds in the execution phase:

- Commitment
- Obligation
- Expenditure

# Appropriation Status

Appropriated funds are said to be:

- Active
- Expired
- Canceled



[illegible]

# Annual & Multi-Year Appropriations

## Annual Appropriations

- active/available for obligation for a single year
- ex: 3400 & 3500

## Multi-Year Appropriations

- active/available for incurring new obligations for more than one year
- ex: 3600, 3010, 3020, 3080 & 3300

# 3400 & 3500 Appropriations

- The O&M appropriation (3400) funds most operations & maintenance activities of Air Force installations and equipment.
- The Military Personnel appropriation (3500) funds Military Pay, Incentive Pay, Subsistence Pay, Travel and PCS costs.

# The Procurement Appns: 3010, 3020 & 3080

Multi-year appropriation that funds:

- Weapons Procurement
- Training Devices
- Support Equipment (Peculiar & Common)
- Munitions
- Vehicular Equipment
- Communications & Electronic Equipment
- Initial Spares
- Other Organizational & Base Support Equipment
- Installation of Communications
- Mitre & ITSP Support
- Interim Contractor Support (ICS)
- Electronic Systems (Turnkey\*)

# Exceptions to Full Funding Policy

## Advance Procurement

- allows programs to order items that have a long lead in advance of ordering the complete end item

## Time-Phase Procurement

- multi-year procurements when it is advantageous to the Government to buy a certain quantity up-front

# Research, Development, Test & Evaluation Appn (3600)

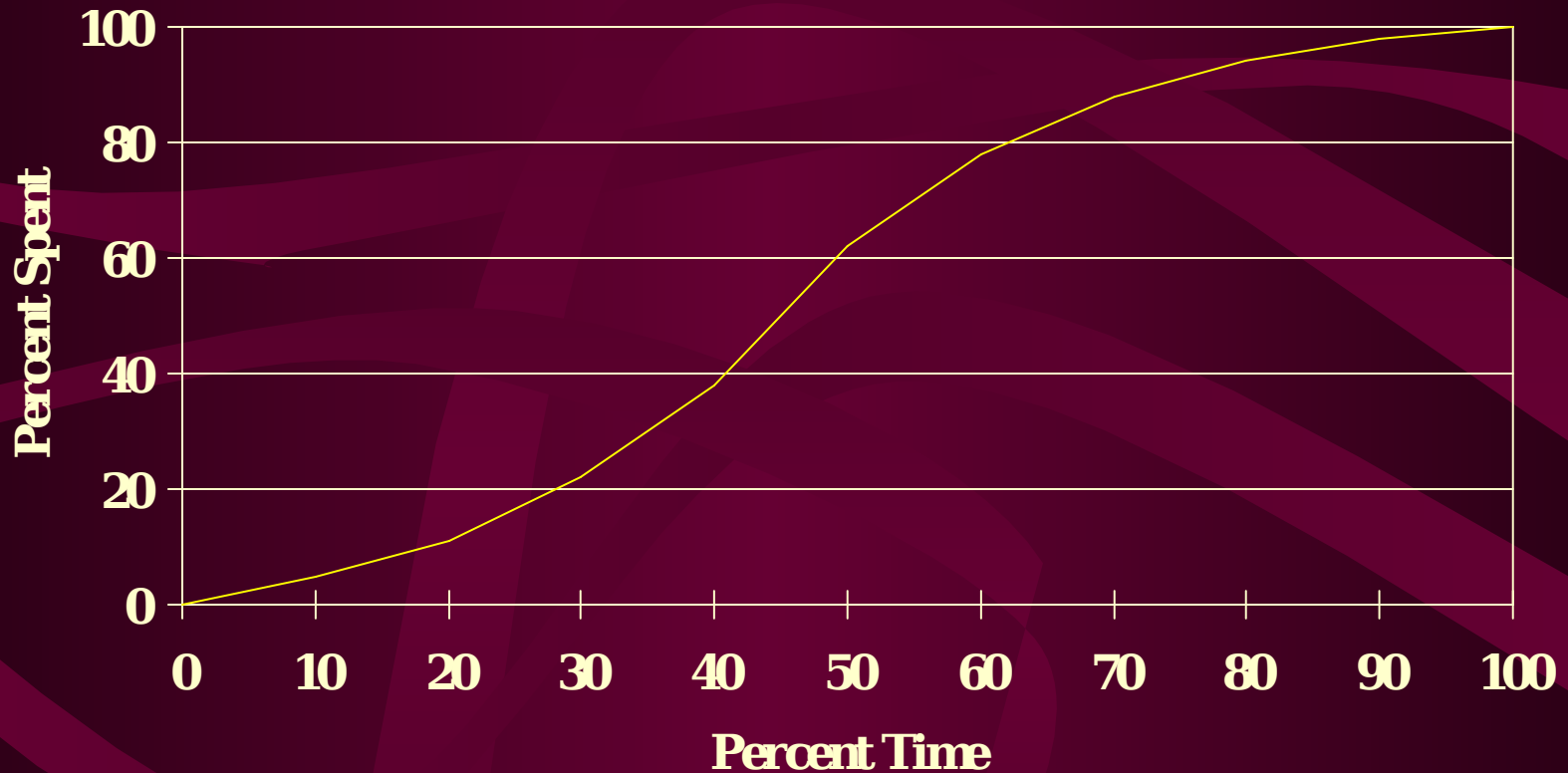
Multi-year appropriation that funds:

- All effort within the Research, Exploratory, Advanced & Engineering Development Categories
- This corresponds to work done in the Concept Exploration (CE), Demonstration & Validation and Engineering, Manufacturing & Development (EMD) phases of a program.

# Typical Funding Schedule for the 3600 APPN

		FY00	FY01	FY02	FY03
FY04	Total				
Total					
Development		39.3	64.3	65.2	37.3
14.3	220.4				
Cost					

# Typical Development Expenditure Profile





# The Military Construction Appn: 3300

Multi-year appropriation that funds:

- Land Acquisitions
- Construction & Acquisition of Facilities
- Additions, Expansions, Extensions and Conversions
- Alterations of Existing Facilities
- Relocation of Facilities from one installation to another